

FEBRUARY 1, 1952



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problems in the United Nations.

In her first report to the League on Nov. 10 Mrs. Williams said, "Mrs. Roosevelt predicted that it would be most difficult to get an acceptable draft Covenant of Human Rights out of Committee Three. We (the U. S.) want a Covenant in two parts which treats political rights differently from social and economic rights. Delegates from countries with little experience in democratic institutions tend to want provisions in the Covenant which state high-sounding goals as if they were rights which could be guaranteed to the people by a document. They do not understand that the 'right to work' for example is the product of a lot of actions which foster a sound and expanding economy. It is a different kind of right from the concepts of free speech or fair trial."

"We are also having a difficult time in Committee Two," reports Mrs. Williams on November 26, "where the majority led by Santa Cruz of Chile is pressing

## Report from Paris

### EXCERPTS FROM THE LETTERS OF ELIZABETH WILLIAMS

*Mrs. Williams, a New York League member accompanied her husband, Chester Williams, attached to the U. S. delegation, to the meeting of the General Assembly in Paris. She is the official League representative.*

"THE East-West contest is not the only problem we find here," writes Mrs. Williams from the Sixth Session. She goes on to point out wide differences in viewpoint on other

for an international authority for financing economic development. Congressman Mansfield (D., Montana) in opposing this attempt to internationalize control over funds which would have to come mostly from the U. S. delivered a realistic analysis of the problem of development and outlined what we were doing about it . . . The majority of small countries are after outright grants and low-interest loans . . ."

The report of Dec. 30 carried news of another U. N. and U. S. problem. "The effort to reduce the U. S. allocation of the general budget to 33 1/3 per cent was spectacularly unsuccessful," wrote Mrs. Williams. "Only one country voted with us on this. The original recommendation of the Contributions Committee, allocating a reduced percentage of 36.9 was finally adopted . . . If Congress is to appropriate this year's dues to the U. N. budget, a considerable expression of public opinion will be necessary. The representatives of non-governmental organizations discussed this problem with Congressman Vorys . . ."

In her reports to the League Mrs. Williams has given particular attention to the economic issues. She says, "It should be realized that the defense program rests upon economic conditions and the willingness and capacity of the peoples in the free world to produce both for defense and the maintenance of a reasonable standard of living."

## QUESTIONS MAY BE THE ANSWER!

**H**AS a representative of Mr. Gallup or Mr. Roper ever knocked at *your* door and asked how *you* felt about the U. N.? Two communities in Connecticut didn't wait for the public opinion experts. In Old Lyme and Lyme, Connecticut the League set out to quiz every resident about the U. N. and collective security. Seven hundred answered the questionnaire.

The League found out that the overwhelming majority (675) of its neighbors thought the free world should be prepared to defend itself against aggression. Over 500 said the U. S. should send economic and military aid to other countries and that this would be in our national interest. Five hundred and twenty-eight believed that

the U. N. is needed to promote world security.

The Community Survey was planned late last summer and carried out during October as the League's major project for U. N. Week. A committee devised the questions and divided the town into sections. Then a squad of forty-five volunteers armed with the questionnaires visited each house.

League members found out, as Mr. Gallup, Mr. Roper, and the census takers have long since discovered, that people love to answer questions. By posing six of them the League had an opportunity to focus attention on basic issues in U. S. foreign policy. Perhaps that was more important than getting the answers.

## PROPOSED BUDGET

EVERY day the demand for League services attests to the contribution our organization is making in communities across the country. The requests—whether for our publications or for help in starting a new League—are encouraging. Meeting these demands, however, takes money, as the Budget Committee found out when it met early in January.

The amount to be expended for League organization was increased to include the servicing of the many new Leagues which have been formed during the last year. Membership growth also has made necessary an addition of two new staff members. Their salaries plus small merit increases for the other staff account for the increase in the salary item.

More members mean that more copies of the VOTER go out each month. Although the suggestion had been made that the number of issues per year be increased, it was felt that this was not the time to put this additional financial burden on the Leagues.

The increase in Board of Directors expense covers the cost of a fourth Board meeting required by the proposed change in by-laws. The Board feels that even without this by-law revision, critical times and rapidly changing events make it highly desirable to have two board meetings a year in addition to those held in conjunction with Convention or Council.

On the credit side, the Committee pointed out that new Leagues are developing everywhere; finance drives to date show a 25% increase in contributions; publications sales are jumping ahead more rapidly than anticipated. In the first nine months of this fiscal year publications sales surpassed the estimated income for the entire twelve-months period and this revenue made it possible to meet higher costs.



**The Citizen and International Trade** (Publication #191) surveys the importance of world trade today in view of the pressing problems of rearmament and the development of backward areas (Feb. 1952, 32 pp., 15¢)

**Mutual Security, Key to U. S. Foreign Policy** (Publication #186). A League BRIEF summarizing the U. S. Foreign aid program and considerations before Congress in renewing the act for another year (4 pp., Jan. 1952, 5¢)



**Coming Up! (#189)** The flyer which raises basic questions which should be answered in the coming campaign. Buy a batch to pass out to your friends. (Feb. 1952, 100 copies \$1.50.)

In spite of these cheering facts a sizable gap between expected income and necessary expenditures forced the Committee to recommend that \$7,752 be withdrawn from reserves to balance the '52-'53 budget. Reserves essential to our national organization must be maintained, but the demands of this period in our history compel us to strive for maximum effectiveness, the basis of which is an adequate budget.

	Budget 1951-52	Proposed Budget 1952-53
<b>INCOME</b>		
League Support		
Organized States .....	\$129,222.00	\$135,135.00
Unorganized States .....	1,055.00	2,175.00
Members-at-Large .....	60.00	
Int. on Auxiliary Income Fund .....	2,200.00	2,500.00
The National Voter .....		500.00
Publications Sales .....	30,100.00	46,000.00
Publications Subscriptions .....	8,000.00	12,000.00
Convention Fees .....		5,200.00
Council Fees .....	380.00	
	<u>171,017.00</u>	<u>203,510.00</u>
From Reserve Funds .....	<u>5,145.00</u>	<u>7,752.00</u>
	<u>176,162.00</u>	<u>211,262.00</u>
<b>EXPENDITURES</b>		
General Administration		
Board of Directors .....	8,977.00	11,800.00
Office Operation .....	20,733.00	21,030.00
Affiliations .....	125.00	125.00
Public Relations .....	1,100.00	1,200.00
	<u>30,935.00</u>	<u>34,155.00</u>
Direct Services		
League Organization .....	10,000.00	12,200.00
The National Voter .....	16,300.00	18,200.00
Publications .....	17,650.00	23,700.00
Publications Service .....	2,270.00	4,200.00
Postage (General) .....	5,100.00	4,000.00
Mail Pick-up .....		350.00
Telegraph .....	325.00	350.00
	<u>51,645.00</u>	<u>63,000.00</u>
Attorney's Fee* .....		1,000.00
Convention 1952 .....		5,875.00
Salaries .....	92,602.00	107,232.00
Council and Pre-Convention .....	980.00	
	<u>176,162.00</u>	<u>211,262.00</u>

\*Previously included under Office Operation.

### "Alert America"

LEAGUE members are dedicated to the idea of a world at peace. Yet we are realistic and know that the threat of aggression exists, that an attack on the U. S. is not beyond possibility.

Recognizing the need to plan for the protection of its citizens, the federal government established the Civil Defense Administration, an organization that needs the support of hundreds of thousands of volunteers to be effective.

To bring this fact home to the American people, the Valley Forge Foundation, in cooperation with federal state and local civil defense authorities, is sending three "Alert America" convoys to towns and cities throughout the country. Each convoy carries displays showing how civil defense is organized and what you can do to protect yourself and your family. A film dramatizes a mock A-bomb attack. A diorama portrays acts and results of enemy sabotage. And—as a much needed note of hope of what the future can hold for us—there are displays of remarkable uses of atomic energy in the factory, on the farm, and in the field of medicine.

Be sure to see it when it comes your way.

# The President Reports to Congress

IN RECENT weeks, the President has reported to Congress on the State of the Union, the nation's economy, and the proposed budget for the fiscal year starting July 1, 1952 and ending June 30, 1953.

## International Problems

In the State of the Union Message, which came very close to being a "state of the world" message, the Chief Executive warned that the threat of another world war is still very real. On the credit side in 1951, the President cited such developments as the action of the United Nations in Korea, the Japanese Peace Treaty, combined defense in Europe, and the move to bring Greece and Turkey into the North Atlantic Treaty. There are debits to consider, too. The Soviet Union continues to expand and the Middle East and the Far East are still serious danger spots. Economic problems in other free countries have been created by the defense build-up.

According to the President, the fight in Korea must continue until "we get the kind of armistice that will put an end to the aggression and protect the safety of our forces and the security of the Republic of Korea," and we shall continue to build up "the forces of freedom throughout the world." This requires continuing economic and military aid.

## Progress at Home

The Economic Report of the President stated that great gains were made in our basic economic strength. Sixty-one million people were employed in 1951, and since Korea the annual rate of total output has risen ten per cent. Despite the heavy defense burden, the production of civilian goods during 1951 remained at high levels. On the civilian side, though, the President sounded a note of caution. Our civil defense is far from being adequate to meet an atomic attack.

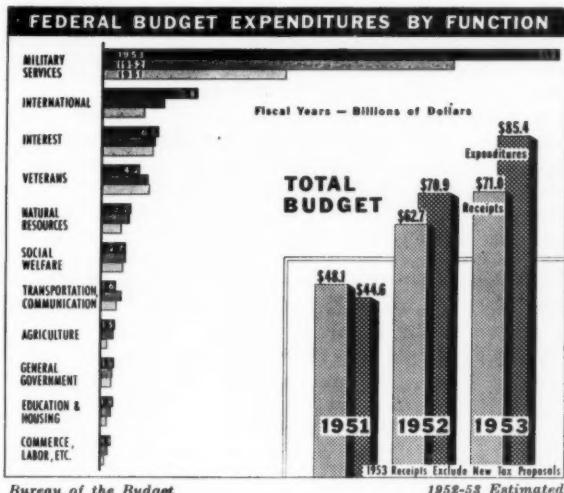
Since the outbreak of the Korean war, the size of the armed forces has more than doubled and now stands at almost three and a half million. Government spending for the major national security programs has increased from an annual rate of \$17 billion in June 1950 to about \$45 billion. While some bottlenecks have developed in the defense production program, we succeeded in producing \$16 billion worth of military goods and supplies in 1951. The Economic Report, however, emphasized that the defense program is still in the "build-up" stage, and that the main pressures are ahead of us.

Prices, in comparison to the last half of 1950, were relatively stable, while wages rose at a lower rate during 1951 than they did during the last six months of 1950. Corporate profits before taxes set another record in 1951, although these profits after taxes were lower than they were in 1950. While personal income for 1951 soared to over \$250 billion, personal saving during the last three-quarters of the past year was almost twice the pre-Korean postwar average.

## Legislative Recommendations

Some of the major legislative recommendations in the Economic Report of the President "to promote the defense effort, strengthen the economy, and maintain economic stability," were as follows: The Defense Production Act should be renewed for two more years and strengthened particularly in relation to production expansion and the control of prices and

credit. (The Act expires on June 30, 1952.) Provision should be made for the construction of needed housing and community facilities in defense areas. Enough additional revenue should be raised by taxation to reach the goal proposed last year. (This has been estimated as an additional \$4.5 billion.) The extra revenue could be raised partly through the elimination of loopholes and special privileges, and partly through increasing tax rates.



The last of the three messages was sent to Congress on January 21. In it, a record "peacetime" budget of \$85.4 billion, with more than three fourths of the total earmarked for the major national security programs, was proposed by the Chief Executive.

The proposed expenditures for the fiscal year 1953 represent an increase of almost \$15 billion over estimated government spending during the fiscal year ending June 30, 1952.

Of the \$65.1 billion proposed for the major national security programs, \$51.2 would go to the military services, and \$10.8 to international security. Other categories included in major national security programs are the development of atomic energy, the promotion of defense production and economic stabilization, civil defense, and merchant marine activities. In the message, the President predicted that "by the end of the fiscal year 1953, we will have reached or passed the peak production rates for all of our major military items except some of the newer model aircraft and some weapons not yet in production."

The major national security programs accounted for almost all of the increase in total budget expenditures since Korea. The proposed spending for all other Government programs is nine per cent below the fiscal year 1950, in spite of higher prices, and is nearly a billion dollars below the level of spending during the current fiscal year.

Congressional reaction to the proposed budget, among many of the Democrats as well as the Republicans, indicated that efforts would be made to cut it by \$5 billion or more. Without an increase in federal revenue or a cut in the proposed expenditures, the deficit for the fiscal year 1953 is estimated at \$14.4 billion. The deficit prospect for the current fiscal year is presently estimated at \$8.2 billion.

## Marshall Plan Ends

THE four-year Marshall Plan for Western Europe's economic recovery ended December 31, six months ahead of schedule. Economic aid sent by the U. S. under the Plan totaled \$12 billion and the American taxpayer might rightfully inquire: Was the Marshall Plan a success?

In 1947 four main objectives were set forth to re-establish Western Europe as the world's second most important industrialized area. (1) To restore and increase production, especially in agriculture, fuel and power. (2) To create and maintain financial stability. (3) To revive Europe's trade with special emphasis on expanding exports to the U. S. to pay for needed imports. (4) To develop economic co-operation among European nations.

**PRODUCTION**—Estimates were set in 1947 as to what the level of production for each major commodity ought to be by 1952. By 1951 the estimates were exceeded in all major industrial commodities except coal and in all agricultural products except cereals. Coal output was supposed to have risen to 511 million tons in 1951 but only 460 million tons were extracted. The inability of Western Europe to expand coal production is now one of the greatest problems facing European nations.

**FINANCIAL STABILITY**—The fight against inflation in Western Europe has been less successful than the battle to attain an increase in production. Prices in Europe have risen continuously since 1946, though the rise varies from country to country. In Great Britain wholesale prices were twenty-seven per cent higher in 1951 than they were before Korea, whereas in France the rise was thirty-seven per cent. Much of the price rise was due to costly imports but another reported factor was the expansion of credit to build up stocks.

**EXPANSION OF TRADE**—During the three and a half years of Marshall Plan aid, Western Europe increased the volume of its exports by seventy-five per cent. Such an expansion of trade narrowed the gap between formerly huge imports and relatively few exports. In 1948 Western Europe imported \$5.3 billion worth of goods more than it exported. This trade deficit narrowed to \$2.1 billion in 1950. In 1951, due to high import prices and rearmament, the gap stretched again—this time to \$3.8 billion.

**ECONOMIC COOPERATION**—It is not easy to measure the success of economic cooperation in Western Europe. The fifteen European countries in the program had to plan jointly how U. S. aid should be distributed. The Organization of European Economic Cooperation, composed of all Marshall Plan nations and Switzerland, was established to coordinate Europe's economic recovery. It was the first time these nations had tried to see their needs in terms of a single problem and not as fifteen separate problems. Today the O.E.E.C. is a permanent body.

Other concrete steps have been taken by European countries. They removed restrictions from seventy-five per cent of their trade with each other. They created a clearinghouse, the European Payments Union, to balance the accounts of each European nation with the whole of Western Europe rather than with every other country separately. They are establishing the Schuman Plan to put Western Europe's coal and steel production under a single authority and thus free these two basic commodities from many trade restrictions.

Marshall Plan aid bringing about European recovery may be compared to a doctor helping a sick patient to a steady and gradual convalescence. Complete economic health had not been achieved when the patient's recovery was threatened by the added strain of rearmament. The necessity to import more raw materials for defense and to cut down on goods for export and consumer use may impede recovery.

## UN Debates World Security

ON January 12 the U. N. took a further step toward evolving a collective security system. At that time the General Assembly passed by vote of 51 to 5 a resolution requesting all members to keep their armed forces in readiness in case another aggression should occur. The resolution came after debate on the report of the U. N. Collective Measures Committee (VOTER 1/1/52) which recommended military, economic and political measures to stop war.

The step taken, however, was a shaky one. Amendments to the resolution provide for U. N. use of national forces subject to the judgment of each member that such action would not interfere with its internal security and regional defense commitments. The Arab states successfully inserted a provision that the U. N. could not ask for the use of armed force unless the victim state had requested it. The Committee was authorized to continue for another year.

### ★ CONGRESSIONAL SPOTLIGHT ★

**D. C. Home Rule (S. 1976\*)**: On January 22, the Senate passed this bill by a voice vote after refusing by a roll call vote of 41 yeas to 35 nays to return the bill to Committee. If passed by the House, this bill would permit an elected city council and school board, a non-voting delegate to the House of Representatives, and a presidentially appointed mayor. S. 1976 faces strong opposition in the House District Committee.

**Trade Restrictions (H. R. 5693 and S. 2104)**: Hearings have started in the Senate Finance Committee on H. R. 5693, a bill to levy a tariff on imports of fresh and frozen tuna fish. The Senate is debating S. 2104, which would repeal Section 104 of the Defense Production Act, a restriction on imports of dairy products, fats, oils, peanuts and rice.

**Reorganization Plan No. 1**: The House Expenditures Committee unanimously approved the President's plan for reorganization of the Bureau of Internal Revenue, and a Senate Committee is still holding hearings. Another House subcommittee is studying various proposals for strengthening federal tax administration.

\*Indicates League support.

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